

REQUIRED SUPPLEMENTARY INFORMATION



Schedule of Funding Progress Employee Retirement Systems and Plans

(amounts expressed in thousands)	Primary Government	-----Discretely Presented Component Unit-----					
	SPRF	PERF -State	PERF-Municipal	ECRF	JRS	PARF	LRS
Valuation Date: July 1, 2003							
Actuarial value of assets	\$ 313,123	*	*	*	*	*	*
Actuarial accrued liability (AAL)	360,502	*	*	*	*	*	*
Excess of assets over (unfunded) AAL	(47,379)	*	*	*	*	*	*
Funded ratio	87%	*	*	*	*	*	*
Covered payroll	51,204	*	*	*	*	*	*
Excess (unfunded) AAL as a percentage of covered payroll	-93%	*	*	*	*	*	*
Valuation Date: July 1, 2002							
Actuarial value of assets	\$ 304,773	\$ 2,061,790	\$ 2,445,113	\$ 37,360	\$ 121,155	\$ 11,957	\$ 4,446
Actuarial accrued liability (AAL)	349,772	2,123,779	2,666,590	55,884	188,434	22,386	5,503
Excess of assets over (unfunded) AAL	(44,999)	(61,989)	(221,477)	(18,524)	(67,279)	(10,429)	(1,057)
Funded ratio	87%	97%	92%	67%	64%	53%	81%
Covered payroll	50,895	1,501,201	2,350,458	12,654	25,805	14,538	**
Excess (unfunded) AAL as a percentage of covered payroll	-88%	-4%	-9%	-146%	-261%	-72%	**
Valuation Date: July 1, 2001							
Actuarial value of assets	\$ 307,072	\$ 2,063,627	\$ 2,484,339	\$ 36,921	\$ 115,040	\$ 11,073	\$ 4,665
Actuarial accrued liability (AAL)	338,867	1,896,506	2,249,835	52,024	188,610	20,418	5,508
Excess of assets over (unfunded) AAL	(31,795)	167,121	234,504	(15,103)	(73,570)	(9,345)	(843)
Funded ratio	91%	109%	110%	71%	61%	54%	85%
Covered payroll	51,395	1,429,768	2,157,252	12,486	29,748	13,636	**
Excess (unfunded) AAL as a percentage of covered payroll	-62%	12%	11%	-121%	-247%	-69%	**
Valuation Date: July 1, 2000							
Actuarial value of assets	\$ 292,383	\$ 1,960,018	\$ 2,356,058	\$ 34,368	\$ 103,733	\$ 9,781	\$ 4,557
Actuarial accrued liability (AAL)	326,016	1,701,091	2,047,213	46,272	182,448	13,943	5,453
Excess of assets over (unfunded) AAL	(33,633)	258,927	308,845	(11,904)	(78,715)	(4,162)	(896)
Funded ratio	90%	115.22%	115.09%	74%	57%	70%	84%
Covered payroll	50,898	1,371,496	2,110,957	11,306	30,428	13,422	**
Excess (unfunded) AAL as a percentage of covered payroll	-66%	19%	15%	-105%	-259%	-31%	**
SPRF - State Police Retirement Fund PERF - Public Employees' Retirement Fund ECRF - Excise Police and Conservation Enforcement Officers' Retirement Fund (Administered by the PERF board of trustees) JRS - Judges' Retirement System (Administered by the PERF board of trustees) PARF - Prosecuting Attorneys' Retirement Fund (Administered by the PERF board of trustees) LRS - Legislators' Retirement System (Administered by the PERF board of trustees)							
* - information not available							
** The benefit formula is determined based on service rather than compensation. The unfunded liability is expressed per active participant and there are 58 active participants. The unfunded liability per active participant is \$18,221							

State of Indiana
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Major Funds (Budgetary Basis)
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	General Fund			Variance to Final Budget
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes:				
Income	\$ 5,135,608	\$ 5,135,608	\$ 4,163,056	\$ (972,552)
Sales	2,423,200	2,423,200	2,161,197	(262,003)
Fuels	-	-	-	-
Gaming	-	-	84,308	84,308
Inheritance	160,000	160,000	195,320	35,320
Alcohol and tobacco	68,400	68,400	300,241	231,841
Insurance	160,000	160,000	177,292	17,292
Other	-	-	75,934	75,934
Total taxes	<u>7,947,208</u>	<u>7,947,208</u>	<u>7,157,348</u>	<u>(789,860)</u>
Current service charges	126,457	126,457	202,524	76,067
Investment income	120,000	120,000	34,283	(85,717)
Sales/rents	-	-	2,645	2,645
Grants	-	-	117,343	117,343
Other	<u>9,150</u>	<u>9,150</u>	<u>109,310</u>	<u>100,160</u>
Total revenues	<u>8,202,815</u>	<u>8,202,815</u>	<u>7,623,453</u>	<u>(579,362)</u>
Expenditures:				
Current:				
General government	630,757	1,350,229	891,950	458,279
Public safety	673,610	679,984	609,404	70,580
Health	127,989	111,860	92,327	19,533
Welfare	2,087,795	490,409	377,548	112,861
Conservation, culture and development	119,465	160,370	63,104	97,266
Education	5,628,487	5,514,617	5,456,407	58,210
Transportation	1,136	8,901	5,095	3,806
Other	<u>10,528</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>9,279,767</u>	<u>8,316,370</u>	<u>7,495,835</u>	<u>820,535</u>
Excess of revenues over (under) expenditures	(1,076,952)	(113,555)	127,618	(241,173)
Other financing sources (uses):				
Total other financing sources (uses)	<u>(880,718)</u>	<u>(880,718)</u>	<u>60,987</u>	<u>941,705</u>
Net change in fund balances	<u>\$ (1,957,670)</u>	<u>\$ (994,273)</u>	<u>\$ 188,605</u>	<u>\$ 1,182,878</u>
Fund balances July 1, as restated			<u>1,040,377</u>	
Fund balances June 30			<u><u>\$ 1,228,982</u></u>	

Motor Vehicle Highway Fund				Medicaid Assistance			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
460,256	460,256	458,760	(1,496)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
460,256	460,256	458,760	(1,496)	-	-	-	-
16,952	16,952	12,677	(4,275)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	15	15	-	-	-	-
11,346	11,346	13,173	1,827	2,507,778	2,507,778	2,607,705	99,927
55,334	55,334	58,145	2,811	-	-	-	-
543,888	543,888	542,770	(1,118)	2,507,778	2,507,778	2,607,705	99,927
6,188	292,357	292,356	1	-	-	-	-
192,014	200,185	188,990	11,195	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	4,114,807	4,073,709	41,098
-	-	-	-	-	-	-	-
259	258	258	-	-	-	-	-
-	7,052	3,042	4,010	-	-	-	-
-	-	-	-	-	-	-	-
198,461	499,852	484,646	15,206	-	4,114,807	4,073,709	41,098
345,427	44,036	58,124	(14,088)	2,507,778	(1,607,029)	(1,466,004)	(141,025)
(70,907)	(70,907)	(68,563)	2,344	1,864,323	1,864,323	1,489,976	(374,347)
\$ 274,520	\$ (26,871)	\$ (10,439)	\$ 16,432	\$ 4,372,101	\$ 257,294	\$ 23,972	\$ (233,322)
		5,176				18,582	
		\$ (5,263)				\$ 42,554	

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State of Indiana
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Major Funds (Budgetary Basis)
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Build Indiana Fund			Variance to Final Budget
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes:				
Income	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Fuels	-	-	-	-
Gaming	-	-	-	-
Inheritance	-	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Other	-	-	-	-
Total taxes	-	-	-	-
Current service charges	106,112	106,112	-	(106,112)
Investment income	13,729	13,729	931	(12,798)
Sales/rents	-	-	-	-
Grants	-	-	-	-
Other	4	4	3,007	3,003
Total revenues	<u>119,845</u>	<u>119,845</u>	<u>3,938</u>	<u>(115,907)</u>
Expenditures:				
Current:				
General government	-	55,966	48,426	7,540
Public safety	-	3	1	2
Health	-	124	2	122
Welfare	-	-	-	-
Conservation, culture and development	-	10,586	3,151	7,435
Education	-	363	87	276
Transportation	-	3,794	3,655	139
Other	-	-	-	-
Total expenditures	<u>-</u>	<u>70,836</u>	<u>55,322</u>	<u>15,514</u>
Excess of revenues over (under) expenditures	119,845	49,009	(51,384)	100,393
Other financing sources (uses):				
Total other financing sources (uses)	<u>26,054</u>	<u>26,054</u>	<u>(29,252)</u>	<u>(55,306)</u>
Net change in fund balances	<u>\$ 145,899</u>	<u>\$ 75,063</u>	<u>\$ (80,636)</u>	<u>\$ (155,699)</u>
Fund balances July 1, as restated			<u>101,248</u>	
Fund balances June 30			<u>\$ 20,612</u>	

State Highway Department				Property Tax Replacement Fund			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,486	\$ 73,486
-	-	42	42	1,477,895	1,477,895	1,881,946	404,051
35	35	53	18	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
35	35	95	60	1,477,895	1,477,895	1,955,432	477,537
13,314	13,314	12,068	(1,246)	-	-	-	-
179	179	59	(120)	-	-	-	-
-	-	589	589	-	-	-	-
494,255	494,255	654,734	160,479	-	-	-	-
36,387	36,387	120,883	84,496	-	-	-	-
544,170	544,170	788,428	244,258	1,477,895	1,477,895	1,955,432	477,537
-	-	-	-	-	1,078,102	1,078,102	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,173,551	1,433,845	1,195,817	238,028	-	-	-	-
-	-	-	-	-	-	-	-
1,173,551	1,433,845	1,195,817	238,028	-	1,078,102	1,078,102	-
(629,381)	(889,675)	(407,389)	(482,286)	1,477,895	399,793	877,330	(477,537)
538,742	538,742	447,790	(90,952)	(778,009)	(778,009)	(877,330)	(99,321)
\$ (90,639)	\$ (350,933)	\$ 40,401	\$ 391,334	\$ 699,886	\$ (378,216)	\$ -	\$ 378,216
		193,995				-	
		\$ 234,396				\$ -	

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State of Indiana
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Major Funds (Budgetary Basis)
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Tobacco Settlement Fund			Variance to Final Budget
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes:				
Income	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Fuels	-	-	-	-
Gaming	-	-	-	-
Inheritance	-	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Other	-	-	-	-
Total taxes	-	-	-	-
Current service charges	149,250	149,250	147,988	(1,262)
Investment income	4,318	4,318	194	(4,124)
Sales/rents	-	-	-	-
Grants	-	-	-	-
Other	-	-	32	32
Total revenues	153,568	153,568	148,214	(5,354)
Expenditures:				
Current:				
General government	-	258,246	6,533	251,713
Public safety	-	-	-	-
Health	-	52,611	44,905	7,706
Welfare	-	2,368	844	1,524
Conservation, culture and development	-	-	-	-
Education	-	-	-	-
Transportation	-	-	-	-
Other	-	-	-	-
Total expenditures	-	313,225	52,282	260,943
Excess of revenues over (under) expenditures	153,568	(159,657)	95,932	(255,589)
Other financing sources (uses):				
Total other financing sources (uses)	(146,914)	(146,914)	(97,417)	49,497
Net change in fund balances	\$ 6,654	\$ (306,571)	\$ (1,485)	\$ 305,086
Fund balances July 1, as restated			277,263	
Fund balances June 30			\$ 275,778	

Budget/GAAP Reconciliation Major Funds

The cash basis of accounting (budgetary basis) is applied to each budget. The budgetary basis differs from GAAP. The major differences between budgetary (non-GAAP) basis and GAAP basis are:

(amounts expressed in thousands)	General Fund	Special Revenue Funds	Total
Net change in fund balances (budgetary basis)	\$ 188,603	\$ (28,191)	\$ 160,412
Adjustments necessary to convert the results of operations on a budgetary basis to a GAAP basis are:			
Revenues are recorded when earned (GAAP) as opposed to when cash is received (budgetary)	(893)	126,267	125,374
Expenditures are recorded when the liability is incurred (GAAP) as opposed to when payment is made (budgetary)	<u>(9,082)</u>	<u>(305,442)</u>	<u>(314,524)</u>
Net change in fund balances (GAAP basis)	<u>\$ 178,628</u>	<u>\$ (207,366)</u>	<u>\$ (28,738)</u>

Infrastructure - Modified Reporting Condition Rating of the State's Highways and Bridges

Roads	Average Pavement Quality Index (PQI)		
	<u>2003</u>	<u>2002</u>	<u>2001</u>
Interstate Roads (including Rest Areas and Weigh Stations)	87	N/A	87
NHS Roads - Non-Interstate (including Rest Areas and Weigh Stations)	83	N/A	83
Non-NHS Roads	80	N/A	80

The condition of road pavement is measured using a pavement quality index (PQI), which is based on a weighted average of three distress factors found in pavement surfaces. The PQI uses a measurement scale that is based on a condition index ranging from zero for a failed pavement to 100 for a pavement in perfect condition. The condition index is used to classify roads in excellent condition (90-100), good condition (80-89), fair condition (70-79), and poor condition (less than 70). It is the State's policy to maintain Interstate and NHS Non-Interstate roads at an average PQI of 75 and Non-NHS roads at an average PQI of 65. Condition assessments are determined on an annual basis for Interstates and on a biennial basis for other roads.

Bridges	Average Sufficiency Rating		
	<u>2003</u>	<u>2002</u>	<u>2001</u>
Interstate Bridges	91.1%	91.2%	N/A
NHS Bridges - Non-Interstate	90.1%	91.2%	N/A
Non-NHS Bridges	87.8%	88.1%	N/A

The condition of the State's bridges is measured based on a sufficiency rating, which is based on a weighted average of four factors indicative of a bridge's sufficiency to remain in service. The sufficiency rating uses a measurement scale that ranges from zero for an entirely insufficient or deficient bridge to 100 for an entirely sufficient bridge. The sufficiency rating is used to classify bridges in excellent condition (90-100), good condition (80-89), fair condition (70-79), marginal condition (60-69) and poor condition (below 60). It is the State's policy to maintain Interstate bridges at a minimum sufficiency rating of 87%, NHS Non-Interstate bridges at 85%, and Non-NHS bridges at 83%. Sufficiency ratings are determined at least on a biennial basis for all bridges. Sufficiency ratings are determined more frequently for certain bridges depending on their design.

N/A - Information is not available

Infrastructure - Modified Reporting
Comparison of Needed-to-Actual Maintenance/Preservation
(dollars in thousands)

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Roads					
Interstate Roads (including Rest Areas and Weigh Stations):					
Needed	\$ 113,469	\$ 101,574	N/A	N/A	N/A
Actual	167,472	198,144	N/A	N/A	N/A
NHS Roads - Non-Interstate (including Rest Areas and Weigh Stations)					
Needed	52,857	67,392	N/A	N/A	N/A
Actual	2,450	2,618	N/A	N/A	N/A
Non-NHS Roads					
Needed	196,063	185,909	N/A	N/A	N/A
Actual	390,020	311,757	N/A	N/A	N/A
Roads at State Institutions and Properties					
Needed	4,000	5,000	N/A	N/A	N/A
Actual	6,044	1,603	N/A	N/A	N/A
Total					
Needed	366,389	359,875	N/A	N/A	N/A
Actual	565,986	514,122	N/A	N/A	N/A
Bridges					
Interstate Bridges					
Needed	\$ 11,220	\$ 42,634	N/A	N/A	N/A
Actual	36,736	27,838	N/A	N/A	N/A
NHS Bridges - Non-Interstate					
Needed	25,618	35,384	N/A	N/A	N/A
Actual	12,324	11,265	N/A	N/A	N/A
Non-NHS Bridges					
Needed	44,659	41,116	N/A	N/A	N/A
Actual	60,314	74,388	N/A	N/A	N/A
Total					
Needed	81,497	119,134	N/A	N/A	N/A
Actual	109,374	113,491	N/A	N/A	N/A

N/A - Information is not available

